



**United States Department of State**

*Washington, D.C. 20520*

Dear Senator Coburn:

Thank you for your letter to Secretary Rice regarding the UN Capital Master Plan (CMP). We share your commitment to good stewardship of U.S. taxpayer dollars, and look forward to addressing your concerns.

In 2002, the Department established a Task Force made up of representatives of the State Department and OMB, along with an expert consultant, to provide ongoing oversight on technical and financial elements of the CMP. The Task Force concluded that the existing UN facilities pose a number of serious safety and security concerns to UN employees. In particular, the UN facilities do not meet either fire or life safety building requirements or modern security requirements. The Department, therefore, has supported renovations of the UN facilities to address these serious issues.

A project of this size and complexity poses difficult challenges regarding transparency, oversight, and internal controls. We have worked closely with UN Under Secretary General for Management Chris Burnham on a number of concrete steps to strengthen oversight of this project. In particular, Under Secretary General Burnham, with our support, has set up the UN CMP Project Office as an independent office reporting to him.

We have worked with him to support processes that strengthen internal controls and oversight and to promote transparency and accountability, principles that are of great importance to the Department and to the Congress. The UN has also implemented value-engineering

The Honorable  
Tom Coburn,  
United States Senate.

processes, including third party contractor reviews of the design to improve cost and quality control. We have also pressed the UN to ensure the full participation of the UN's internal audit office, OIOS, in the project. Furthermore, the UN has committed to hiring an independent construction auditor to promote greater oversight and transparency during the construction phase of the project.

In addition to our continued oversight of the project, GAO, as you know, has completed two reviews of the Capital Master Plan and is currently working on a third.

As your letter notes, the UN's plan for renovating its facilities requires significant coordination and resources to accommodate the large unionized workforce that will be involved in this project. Issues such as adequate sanitation facilities, break space, and site access for unionized workers are addressed in the UN's current plans. Break spaces for workers are planned for all construction phases and areas. In addition, a single access point is planned for construction workers. Phased start times are being considered, with overtime allowances provided in the project plan should this be necessary. Construction phasing in the Secretariat building continues to be based on 10 +/- floors, which relates to the location of intermediate mechanical floors. The mechanical floors will be used to provide a safe and sealed floor between occupied floors and construction areas to prevent issues such as the seepage of fumes, in line with New York City construction standards. In terms of delays, construction phasing allowances have been provided in the schedule. Delays are likely to be costly; at this point the UN is primarily concerned with the impact of a delayed construction start.

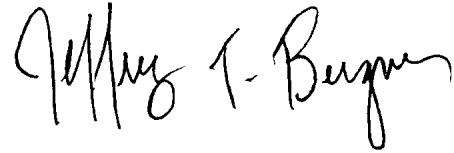
With regard to your specific questions:

1. The UN provides some current procurement information on their website ([www.un.org/depts/ptd/](http://www.un.org/depts/ptd/)), including contract awards for 2005 and 2006. The UN has raised concerns that posting CMP documents on a website would compromise building security and undermine their ability to obtain competitive market construction cost estimates. The UN has, however, expressed a willingness to make documents available to Member States in their offices and has already done so on numerous occasions.

2. The UN's Independent Procurement Task Force, operating under the aegis of OIOS, is currently investigating a number of cases, some in cooperation with the U.S. Attorney. Neither the UN nor any law enforcement entity has given us a timeline for completion of their investigations, and we believe it is essential to give them sufficient time to ensure the investigations are full, thorough and independent.
3. Eures Support Services (ESS) is providing food rations to peacekeeping personnel under eight pre-existing UN contracts. The UN Procurement Service has initiated action to re-bid these contracts, and anticipates new contracts being awarded in the fall due to ongoing mission requirements.
4. UN practices prohibit the organization from naming individuals currently under investigation. Once the investigations are complete, we will insist that a full and complete accounting of the procurement activities in question be provided.
5. We will provide a response to this question under separate cover.
6. A non-paper, outlining our management reform goals, is enclosed. Secretary Rice has charged Ambassador Bolton with pursuing these reforms as a top priority, and he is working actively to urge progress on these issues. Although we have seen some progress with respect to ethics and oversight reforms, members of the Group of 77 (G-77) continue to oppose many of the Secretary General's proposals to enhance his flexibility in managing the Secretariat. We are working to build consensus with our negotiating partners to ensure tangible progress in each of these areas.

We appreciate your steadfast support for UN reform and will keep you apprised of developments concerning the CMP.

Sincerely,

A handwritten signature in black ink, reading "Jeffrey T. Bergner". The signature is written in a cursive style with a large, stylized "J" and "B".

Jeffrey T. Bergner  
Assistant Secretary  
Legislative Affairs

Enclosure:

As stated.